

CITIZEN'S INDEPENDENT TRANSPORTATION TRUST (CITT)

BUDGET AND FINANCE COMMITTEE MEETING

Metro Dade Center
111 NW 1st Street, 18 Floor
Conference Room 18-1
9:00 am – 11a.m.

SUMMARY OF MINUTES JULY 22, 2003

CITT MEMBERS:

Theodore Wilde, Chairman
Mike Abrams
Marc Buoniconti
John Cosgrove
Thamara Labrousee
Moss Miles
James Reeder

OTHER PRESENT:

Alberto Parjus, OPTM
Peter Evans, Metro Aqua Cats
Vicki Robinson, CHI
Hannie Woodson, MDT
Clinton Forbes, MDT
Seraphin Bernard, MDT
Michelle Brown, MDT
Dick Haffele, OMB
Bruce Libhaber, County Attorney
Patricia David, OPTM
Jose Bishop, Citizen
Pepe Valdes, OPTM
Bob Pearsall, OPTM
Roosevelt Bradley, MDT

1. CALL TO ORDER/ROLL CALL

With a quorum being present, the meeting of the Budget and Finance Committee was called to order by Theodore Wilde, Chairman at 9:10 a.m.

2. WELCOME/INTRODUCTIONS

Mr. Wilde recognized Miles Moss the newly appointed CITT member. He welcomed and thanked everyone attending. Mr. Wilde asked everyone to introduce themselves.

3. APPROVAL OF AGENDA

Mr. Wilde asked that agenda item 6 be taken out of order and discussed first because Roosevelt Bradley, Director of MDT is needed at the Board of County Commission meeting.

Mr. Wilde requested a motion approving the agenda. The motion was made by Mr. Buoniconti, seconded by Mr. Cosgrove and carried without dissent

4. APPROVAL OF MINUTES – JUNE 10, 2003

Mr. Wilde requested a motion approving the meeting minutes of June 10, 2003. Mr. Buoniconti made the motion. Mr. Abrams, seconded and the motion was carried without dissent.

5. RESOLUTION CAPITAL PROJECTS REVIEW

Mr. Wilde noted that the Project Review Committee approved the resolution (distributed) approving the capital projects in support of the PTP. This resolution was forwarded to this committee for further discussion and approval.

Mr. Wilde asked Mr. Bradley, for a brief explanation of the capital projects distributed. Mr. Bradley stated that there are two projects that he would like to discuss 1) the Mover Vehicle Rehab for \$15,400,000 and 2) Rail Midlife Rehab for \$188,830, 000. The Mover Vehicle Rehab is a project for the rehabilitation of the original 12 mover cars acquired when the Metromover opened in 1986. The cars have a 20-year life expectancy and after 10 years rehab is needed. Mr. Bradley emphasized this rehab has not been done. If the cars do not get rehabbed, the County may have a liability problem. Once the rehab of the cars is completed they will be able to run on any future systems. The 136 rail cars have a 30-year life expectancy. A rehab is needed after 15 years. As of today, we are 6 years behind schedule. During the PTP campaign the public was promised the following:

- 1) Metrorail would provide service 24 hours as of June 8, 2003.
- 2) Midday services running at 10 min intervals.
- 3) Improved weekend service.

All those promises have been kept. Once the rehab is completed the cars will have a total of 40 years of use. Mr. Bradley noted that a feasibility study might be needed to determine if it may be more practical to purchase new mover vehicles rather than rehab them. However, that has not been determined. Therefore the total budget may change. Miami Dade County's Metrorail system has been compared with Atlanta, Washington, D.C., New York City and at this point MDT is moving in the right direction and has learned from past mistakes.

Mr. Wilde asked if using surtax proceeds would affect the overall financial plan to implement the PTP and why are surtax proceeds being used for this rehab?

Mr. Bradley responded that in Exhibit 1 in the PTP various improvements were not listed yet, were implemented. Furthermore, those improvements were previously and currently advertised on the www.trafficrelief.com website: Those improvement included: 1) 24-hour daily service beginning June 2003; 2) Increase frequency of rail service to every 15 minutes evenings and weekends and every 10 minutes during midday hours; 3) and free Metromover service for everyone. In addition the bus garages needed to house the 170 bus fleet was not listed in the Plan.

Mr. Bradley distributed and discussed in detail each project item by priority including: Rail Midlife Rehab; Mover Vehicle Rehab; Rail F & G Inspections; Replace Hydraulic Lift; Replace Piston Life; Two (2) additional garages; and Fare Collection replacement

Mr. Buoniconti commented that he understands there is a need for these projects to be funded. However he believes that by funding these projects the Trust is placed a difficult position that by approving these capital projects it is uncertain if it will have a negative effect on other projects that were included in the PTP. He asked if any of the capital projects are covered by the maintenance of effort and specifically what is covered.

Mr. Bradley responded that those projects are not covered by maintenance of effort. It is for that reason that we are several years behind schedule. What is covered by maintenance of effort are run and repairs, the A – D inspections.

Mr. Cosgrove agreed he has the same, however the other concern can be a liability. Even though at the present time, it is not a safety issue. The issue can be safety in the future.

Mr. Bradley stated that the rehab being discussed is a one-time cost. Once the rehab is completed 20 years later the trains will need to be replaced.

Mr. Moss stated that he understands that some of the capital projects were promised to the public during the PTP campaign and some of the projects were unfunded but needed. It seems that the rehab of the vehicles is needed.

Mr. Clinton Forbes, Assistant to the Director MDT added that during the PTP Campaign the public did not want to hear about all the details of service improvement. They wanted to hear that the existing service would be improved and expanded.

Mr. Abrams noted there are many items that were not listed in Exhibit 1 that on existing cars that predated the surtax the County should have been responsible for that rehab. However these projects and configurations appears to have been contemplated by the people who proposed the PTP.

Mr. Abrams requested in writing from OPTM a statement that the capital projects being discussed were always contemplated and budgeted as part of the PTP and that it will not affect other PTP projects, because ultimately the CITT is responsible for overseeing the use of the surtax dollars.

Mr. Alberto Parjus, Chief Management Services OPTM distributed and discussed the list of five (5) questions asked by Mr. Wilde and the responses from OPTM (see attached). In addition, he reviewed the Conceptual Cash Flow Plan Assumptions-North Corridor, Including NI/EH and HEFT to MIC (attached). Mr. Parjus stated that the capital projects being discussed have always been considered a part of the PTP because there existed a

need to fund certain capital projects in order to update the current infrastructure and acquire new infrastructure with federal monies. To obtain federal funding grants the federal government requires the County to verify that they have the ability to operate and maintain the current bus, rail fleet and Metromover systems. In summary, the federal government cares about two things: Users benefits and financial capacity. The County would not get approval for a new rail line, metro mover line or busway if it did not have the rail rehab in the plan.

Mr. Cosgrove asked Mr. Parjus to clarify whether the capital projects being considered have always been a part of the PTP from the beginning because the current budget process did not have the funding. Mr. Parjus responded that is correct. When we began working on the financial planning for PTP projects. If the existing projects do not get funded, new lines of rail will not be built. The federal government requires 20-year maintenance plan for all the Metrorail lines. If you cannot demonstrate an ability to maintain the existing lines additional monies will not be provided. The County does not have the monies to fund these capital projects. It is critical to maintain the current and future infrastructure to obtain federal funding.

Mr. Abrams moved to approve item #6 "Resolution by the Citizens' Independent Transportation Trust approving the attached list of capital improvement projects in support of the People's Transportation Plan" to forward to the next CITT meeting scheduled for July 29, 2003 with a written statement from OPTM or MDT affirming that these capital projects were contemplated as being part of the PTP, and these projects will not materially impact the implementation of the projects listed in Exhibit 1 of Ordinance 02-116. Additionally, OPTM staff is to provide a cost analysis of a 30-year projection. The motion was seconded by Mr. Cosgrove.

Mr. Wilde noted that the motion would be voted on after Mr. Parjus' presentation on the cash flow plan.

Mr. Parjus discussed in detail the "Working Document Conceptual Cash Flow Plan" North Corridor and HEFT to MIC (distributed), which included a projected budget for 2003-2031 for revenues, expenses and surplus.

Mr. Parjus stated the completion of the PTP might take more than 30 years.

Mr. Buoniconti said he does not think the committee should be rushed into approving the resolution because there are a lot of unanswered questions. Ultimately, the CITT will be held accountable for surtax spending.

Mr. Moss said that he wants to know if all the projects listed in Exhibit 1 are feasible. It may be that only some of those projects may be completed and the citizens need to be made of aware of that. Although, he feels that the capital projects being discussed are a high priority.

Mr. Cosgrove shared Mr. Bradley 's sense of urgency that these projects get funding in order to move forward. The resolution will be going to the full board and there may be some broader concern. The PTP has been based on many projections and assumptions, therefore every year the CITT will need to review the PTP that is the way most budget are created.

Mr. Buoniconti requested from Mr. Parjus to prepare a 30-year cash flow plan by Monday that will include all projects listed in Exhibit 1 and all assumptions considered a part of the PTP.

Mr. Jack Furney, Assistant Director Administration. OPTM stated that the PTP has many variables, for example it states that the Metrorail will increase to 88.9 miles of rapid transit. It may be that some of it may be a busway, trolley, or light-rail. If you use any of these it is less costly. The budget is based on projections and is to be used as a working document.

Mr. Libhaber stated that any changes or additions to the PTP need to initiate from the CITT and then forwarded to the BCC for approval. The contract for the consultant to do the specifications and engineering work has passed the OPTM subcommittee and the Transportation Committee and will be forwarded to the BCC.

Mr. Wilde requested a motion to approve the Resolution. Mr. Abrams moved to approve "Resolution by the Citizens' Independent Transportation Trust approving the attached list of capital improvement projects in support of the People's Transportation Plan" to forward to the next CITT meeting scheduled July 29, 2003 with a written statement from OPTM or MDT affirming that these capital projects were contemplated as being part of the PTP, and these projects will not materially impact the implementation of the projects listed in Exhibit 1 of Ordinance 02-116. Additionally, OPTM staff is to provide a cost analysis of a 30-year projection. The motion was seconded by Mr. Cosgrove, and passed with dissent.

6. CITIZENS' PARTICIPATION

Peter Evans, Vice President, GM Metro Aqua Cats, Inc. introduced himself and presented a proposed project using the waterways from Aventura to Pinecrest with a minimum of 10 boats with a maximum of 149 passengers. Carry an estimate an estimated 7 million passengers per year. The total budget is estimated at \$50 million. This project could be a partnership with Miami-Dade County and Metro Aqua Cats, Inc. He believes this can be done within two to three years. He has presented his proposal to Jose Mesa, MPO and is the proposal is being taken under consideration.

Mr. Miles said once the presentation is approved by Jose Mesa of the MPO, Jose Mesa then should come back to the CITT.

7. NEW BUSINESS

Mr. Abrams moved to approve a Resolution directing staff to prepare a fiscal impact analysis prior to recommending any modifications to the PTP that includes the addition of a project not currently approved by the PTP, requiring surtax funding. This fiscal impact analysis shall include: 1) detailed justification of the need for the addition of the proposed project, including what specific service improvements (#of new miles, #of new passengers, #of minutes headway reduction, etc.) will result from the improvement, the impact of not implementing the improvement, and how the project furthers the goals of the PTP; 2) a timeline (using fiscal years) detailing the benchmarks to be achieved, including the anticipated completion date; 3) a total budget for the proposed project, including any administrative cost to be charged and any other funds being utilized for the funding of the project; 4) a cash flow analysis by fiscal year indicating the expenditure schedule for surtax funds; and 5) an analysis of the impact of this project funding on the implementation of other PTP approved projects (e.g. impact on cash flow, project planning etc.)

Mr. Buoniconti stated that the resolution contradicts the previous motion just approved.

Mr. Abrams asked to move the motion pending the second.

Mr. Abrams moved to approve to adopt the motion to any deletions, additions and modifications to the PTP including item 6 that was approved by the Budget and Finance Committee today. The motion was seconded by Mr. Buoniconti and carried without dissent.

11. COMMENTS FROM MEMBERS

Mr. Abrams briefly informed the members that he and Mr. Wilde had with the Rachel Baum, Director Finance Department, Kathy Jackson, and a representative from the Inspector General's office. The meeting discussed staffing for the Trust. There was a good exchange of ideas. Abrams continued that he met with the County Manager, George Burgess to discuss his ideas about staffing for the CITT. Staff is to be provided by the County Manager, however the Trust can make recommendations. He asked the Manager if the Trust could have a resolution to present to him in September.

12. NEXT MEETING SCHEDULE

Mr. Wilde agreed with the other member to schedule the next meeting for Thursday, August 28, 2003. This meeting the members will discuss the issue on staffing and the proposed meeting dates (distributed) for Budget and Finance for the rest of the calendar year. The meetings have been scheduled on Mondays and Wednesday to avoid conflict with the Board of County Commissioners meetings. He suggested having future meetings throughout Miami-Dade County to give the citizens an opportunity to attend.

Mr. Buoniconti offered the use of the Lois Pope Center. Mr. Cosgrove suggested polling all the members for their preferences.

13. ADJOURNMENT

The meeting of the Budget and Finance Committee adjourned at 11:40 a.m.